

May 10, 2011

Marlene Dortch
Secretary
Federal Communications Commission
445 Twelfth Street SW
Washington, DC 20554

Re: Notice of *Ex Parte* Presentation

WC Docket No. 11-42 (Lifeline and Link Up Reform and Modernization)

CC Docket No. 96-45 (Federal-State Joint Board on Universal Service)

WC Docket No. 03-109 (Lifeline and Link Up)

WC Docket No. 10-90 (Connect America Fund)

GN Docket No. 09-51 (A National Broadband Plan for Our Future)

WC Docket No. 07-135 (Establishing Just and Reasonable Rates for Local Exchange Carriers)

WC Docket No. 05-337 (High-Cost Universal Service Support)

CC Docket No. 01-92 (Developing a Unified Intercarrier Compensation Regime)

WT Docket No. 10-208 (Universal Service Reform Mobility Fund)

Dear Ms. Dortch:

On May 9, 2011, the undersigned representatives from the New America Foundation's Open Technology Initiative and from Media Access Project attended a meeting with Sharon Gillett, Carol Matthey, Amy Bender, Beau Finley, Trent Harkrader, Patrick Halley, Jonathan Lechter, Kim Scardino, Cindy Spiers, Jamie Susskind of the Wireline Competition Bureau and Zachary Katz of the Office of the Chairman.

During the meeting the undersigned discussed their views on issues raised in the above dockets, including proposals to reform the Lifeline and Link Up Low-Income programs, High-Cost Universal Service Support and the proposed transition to the Connect America Fund, and the proposed Mobility Fund. With respect to reforming both the Lifeline and High-Cost programs, we stressed the importance of the Commission's exploration of methods for ensuring that its rules allow for the participation of community and municipal networks that provide voice service (such as interconnected VoIP) or broadband offerings, as both programs transition to support broadband explicitly.

With respect to the Low-Income programs alone, we also discussed the importance of providing low-income support recipients the choice to apply their Lifeline discount to whatever service or package best fits their needs. The Commission should provide Lifeline participants with the freedom to apply the discount to a telephone service, broadband-only service, or bundled service.

We also emphasized that the Commission should not place a cap on the Low-Income programs at this time. Such a cap would be both premature and harmful given the potential for adding broadband as a supported service and the current under-utilization of the program, relative to the number of individuals that currently could qualify for the program. Rather than imposing any such cap, we suggested that the Commission should consider altering the balance between the High-Cost fund and Low-Income programs by redirecting to Lifeline and Link Up a modest portion of the estimated \$1 billion savings expected from reforms to the High-Cost fund. Currently, the Low-Income program is approximately one-fourth the size of the High-Cost fund. We directed the Commission attendees' attention to comments submitted by the Leadership Conference, which suggested that at least 15

percent of the savings from the High-Cost fund be set aside to support Lifeline and Link-up programs, and fund the proposed Lifeline broadband pilot project. Lastly with respect to the allocation of funds among for the broadband pilot, we suggested the Commission not the foreclose the use of existing, effective models for broadband adoption support, such as several initiatives currently funded through the BTOP program.

Media Access Project submitted separate comments in the Lifeline and Link Up Reform dockets on behalf of Media Action Grassroots Network (“MAG-Net”) member organizations. We discussed briefly the recommendations put forward in those comments, including suggestions that the Commission improve coordinated enrollment initiatives but also increase the Low-Income program’s default eligibility guidelines – permitting individuals to qualify on an income basis while earning more than is allowed under the present, very low income threshold. The MAG-Net comments also advocated Low-Income program eligibility on a “one-per-qualifying-adult” basis, noting the harmful effects of the proposed “one-per-residence” rule. Any rule limiting support to one service per residential address would deter qualified applicants from seeking support; prevent adoption of mobile services so prevalent and vital in today’s marketplace; and cause especially unjust results in group housing, shelters, or other settings in which unrelated adults all may reside at a single address.

The undersigned also reiterated their support for transitioning the High-Cost fund to support broadband facilities, which will serve as the essential telecommunications infrastructure of the nation going forward, but over which providers readily can offer voice service. We also stressed the importance of applying certain public interest obligations to all entities that receive federal funding to support their infrastructure deployment. Specifically, the Commission should adopt the same non-discrimination and network interconnection obligations applicable to recipients of BTOP funds, and apply comprehensive Open Internet requirements for all carriers (both wireline and wireless) receiving universal service support. The Commission also should adopt open access obligation for providers receiving support from the High-Cost fund and the Connect America Fund – particularly given the potential to limit funding to a single entity in an area. In such situations especially, the Commission should not grant an Internet service provider an effective monopoly by permitting the only network owner in the area to close its network to wholesale interconnection at either the last mile or middle mile.

With respect to the Mobility Fund, New America Foundation summarized several points made in its Reply Comments filed January 18. Specifically, the undersigned opined that the Commission’s proposed bidding process for a reverse auction to cover areas unserved by 3G mobile broadband would inevitably direct scarce support to more urban and suburban areas where carriers are most likely to extend service even without public subsidy. We suggested a more precise targeting of support based on a process that initially orders unserved census blocks based on demographic characteristics (e.g., median household income, business establishments per square mile, distance from an interstate highway) that studies have shown strongly correlate with a lack of commercial investment due to insufficient profitability. The undersigned also suggested that any network buildout subsidized by the Mobility Fund should be subject to the same public interest conditions that governed BTOP and BIP grants, particularly with respect to nondiscrimination and interconnection conditions.

New America Foundation submits this letter to the Secretary’s office today pursuant to Section 1.1206(b) of the Commission’s rules, 47 C.F.R. §1.1206(b). Please contact the undersigned should you have any questions regarding this submission.

Respectfully submitted,

/s/

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